



This document is scheduled to be published in the Federal Register on 12/14/2011 and available online at <http://federalregister.gov/a/2011-32049>, and on [FDsys.gov](http://FDsys.gov)

**Billing Code 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal Nos. 11-43)**

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. B. English,  
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives,  
Transmittals 11-43 with attached transmittal and policy justification.

Dated: December 9, 2011.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY  
201 12<sup>TH</sup> STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

DEC 6 2011

The Honorable John A. Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 11-43, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Hungary for defense articles and services estimated to cost \$426 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

William E. Landay III  
Vice Admiral, USN  
Director

Enclosures:

1. Transmittal
2. Policy Justification



Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Hungary
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	\$ <u>426 million</u>
TOTAL	\$ 426 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: modification and inspection of 32 UH-1N Utility Helicopters and 20 T-400 spare engines being provided as grant Excess Defense Articles (EDA). Also provided are Forward Looking Infrared Radar, Night Vision Devices, simulators, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support.
- (iv) Military Department: Navy (SAA, TAA, AAF)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) Date Report Delivered to Congress: 6 December 2011

\* as defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### Hungary – UH-1N Helicopters

The Government of Hungary has requested a possible sale of the modification and inspection of 32 UH-1N Utility Helicopters and 20 T-400 spare engines being provided as grant Excess Defense Articles (EDA). Also provided are Forward Looking Infrared Radar, Night Vision Devices, simulators, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support. The estimated cost is \$426 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the military capabilities of Hungary and furthering NATO standardization and interoperability between United States and other NATO allies.

The proposed sale will help improve Hungary's overall ability to conduct humanitarian and search and rescue medical evacuation missions. The proposed sale would further enhance and enable interoperability with U.S. Armed Forces and other coalition partners in the region. Similar items have not previously been provided to Hungary.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be the U.S. Navy, Naval Air Systems Command. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require multiple U.S. Government and contractor representatives to travel to Hungary for one week intervals, semi-annually, for a period of three years for program and technical reviews, and training and maintenance support.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.